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LOS ANGELES TIMES
28 January 1981

Haig Rules Out Arms to Iranians

Terrorism Control to Overshadow Human Rights Concerns, He Says

By OSWALD JOHNSTON, *Times Staff Writer*

WASHINGTON—Secretary of State Alexander M. Haig Jr. on Wednesday flatly ruled out the supply of any military equipment to Iran and declared that countering international terrorism will replace human rights as a foreign policy priority for the United States.

At the outset of his first news conference as secretary, a day after the nation's capital celebrated the return of the former American hostages from Iran, Haig said, "Let me state categorically, today there will be no military equipment provided to the government of Iran either under earlier obligations or as yet-unstated requests."

In spelling out foreign policy priorities for the incoming Reagan Administration, Haig put both Iran and the Soviet Union in the category of nations that foster and encourage terrorism, and he made any arms control negotiations with the Soviets contingent upon their behavior in other areas of activity.

"The United States cannot contemplate negotiations or ratifications of arms control agreements exclusive of consideration of the conduct and activities of the Soviet Union outside the sphere of arms control," he said.

Countering Terrorist Acts

Haig left no doubt that countering acts of terrorism similar to the seizure of the hostages has assumed a top priority for President Reagan and his foreign policy advisers.

Haig, Vice President Bush and other members of the Special Coordinating Committee of the National Security Council met with Reagan on Monday for more than an hour to discuss the ability of the United States to respond to terrorism here and overseas. Administration officials said.

Others present at the meeting were CIA Director William Casey and his deputy, B.H. Inman; FBI Director William H. Webster; Anthony Quinn-Jones, the State Department counter-terrorism director; and national security adviser Richard V. Allen.

NEW YORK TIMES
28 JANUARY 1981

F.B.I. Says It Can't Confirm Allegations on Donovan

By PHILIP SHABECOFF

Special to The New York Times

WASHINGTON, Jan. 27 — Officials of the Federal Bureau of Investigation told the Senate Labor and Human Resources Committee today that an "exhaustive" investigation had not corroborated allegations by underworld informers about purported illegal and improper activities by Raymond J. Donovan, President Reagan's nominee for Secretary of Labor.

Mr. Donovan is the only Cabinet nominee who has not yet been confirmed. In addition, one Cabinet-level appointment remains to be approved. The Senate voted unanimously today in favor of Wil-

liam J. Casey as Director of Central Intelligence and David A. Stockman, as director of the Office of Management and Budget, leaving only Jeane J. Kirkpatrick to be confirmed as United States representative to the United Nations.

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THE WASHINGTON POST
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Reagan Nominates Key Officials for Interior, HUD and Budget Agency

By Lee Lescaze

Washington Post Staff Writer

President Reagan yesterday nominated undersecretaries of interior and housing and urban development, filled two top posts in his Office of Management and Budget, and prepared to announce that he is taking the remaining federal price controls off U.S. crude oil.

The oil controls are scheduled to phase out by Sept. 30 anyway; only about 20 percent of U.S. oil is still subject to price limitations. Reagan's decision to speed up decontrol — which will mean price increases — was to be announced yesterday, but the White House press office decided to hold up most announcements so they would not become lost in the crush of the White House reception for the freed hostages.

Donald I. Hovde, a Wisconsin real estate executive, was nominated to the second-ranking post at HUD, and Donald T. Hodel, an Oregon consultant who is a former administrator of the Bonneville Power Administration, is the president's choice to be undersecretary of interior.

An aide to OMB director-designate David A. Stockman, Donald W. Moran, was appointed director of health and human services in OMB.

Moran, Stockman's legislative aide in the House of Representatives, is a former director of an employment and training organization where he directed operations of the Comprehensive Employment and Training Act programs in south central Michigan.

William Gene Lester was appointed director of economics, policy analysis and budget at OMB. Lester has been the chief economist for the Senate Agriculture Committee and earlier was an assistant to Sen. Richard Lugar (R-Ind.). He is a former professor of agricultural economics at Cornell University.

Reagan also announced his intention to nominate W. Dennis Thomas as assistant secretary for legislative affairs at the Treasury Department.

Thomas has been the administrative assistant to Sen. William V. Roth (R-Del.) since 1976. Earlier, Thomas was administrative assistant to Sen. J. Glenn Beall (R-Md.).

Interior's Hodel, 45, is a regulatory revisionist much like Secretary James Watt. A Portland, Ore., attorney and product of Harvard University and the University of Oregon, Hodel was Ronald Reagan's 1968 presidential campaign manager in Oregon, then was chosen in the Nixon administration to be deputy director of the Bonneville Power Authority in Portland.

His main Washington contact then was Watt, who was Interior's deputy assistant secretary in charge of water and power agencies. As administrator of the power agency he was known as a strong supporter of faster energy plant construction. A coalition of environmentalist groups demanded his ouster in 1976, saying it would be a "litmus test" of Jimmy Carter's policies, but Hodel stayed at Bonneville until the new Department of Energy absorbed his job. He has since been in private consulting.

"He rallied anti-environmental sentiment and was very close to the power industry. He was very controversial," said Jim Blomquist, northwest representative of the Sierra Club. In a July 1975 speech in Portland, Hodel, like Watt, warned against "environmental extremists" he called "prophets of shortage: the anti-producers, the anti-achievers." The environmental movement, he said, had "fallen into the hands of a small, arrogant faction which is dedicated to bringing our society to a halt." Hodel called in that speech, as Watt has done since, for "a new

mechanism for balancing energy needs and environmental concerns."

Stockman, meanwhile, was confirmed 93 to 0 yesterday in one of two unanimous Senate votes on Reagan administration officials; in the other vote, William Casey was approved, 95 to 0, to head the CIA. Only Labor Secretary-designate Raymond Donovan and Jeane Kirkpatrick, chosen to be U.N. ambassador, remain to be confirmed among Reagan's 17 Cabinet and Cabinet-level nominees.

Senate Unanimously Confirms CIA's Casey, OMB's Stockman

The Senate yesterday confirmed former Republican Congressman David A. Stockman to be federal budget director and William J. Casey, who managed President Reagan's 1980 campaign, to be CIA director.

Casey, 67, a New York native who held several posts during the Nixon administration, was approved on a 95-0 vote. Stockman, a proponent of heavy budget cuts who represented Michigan's 5th District for two terms in the House, was cleared by a 93-0 vote.

Casey, a long-time friend of Reagan, takes over the CIA at a time when its intelligence-gathering capability is being questioned, along with some of its past practices.

Casey worked for the Office of Strategic Services, the CIA's forerunner, during World War II and helped plan the emplacement of agents in Germany and France. During the Nixon administration, he served as chairman of the Securities and Exchange Commission, briefly as an undersecretary of state and then as president of the Export-Import Bank.

There was little debate in the Senate on either nomination, although some Democrats criticized Stock-

man's views as rigid and simplistic.

Stockman, 34, a persistent critic of government spending, was approved for a job that many consider to be the second most powerful in government.

Although Sen. John Glenn, D-Ohio, ended up voting for Stockman, he had led a group of moderate and liberal Democrats who questioned Stockman's views on federal spending policies.

Glenn called Stockman callous in his sensitivity to the needs of the poor and rigid in his belief "that all government in the past has been wrong." But, adding that the nominee also is "honest, forthright and he understands government," Glenn expressed the hope the Reagan Cabinet and Congress would be a moderating influence on Stockman.

In his new job, Stockman will be responsible for riding herd over the federal budget, weighing spending priorities and, in effect, serving as a super-manager over all government programs. He will be the administration's leader in the battle to cut the growth of federal spending.

Associated Press

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The Senate unanimously confirmed David Stockman as budget director and William Casey as head of the CIA. They became the 14th and 15th of Reagan's nominees for 17 Cabinet-level posts to win approval.
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